



**WCT BERHAD**  
(Company Number : 66538-K)  
(Incorporated in Malaysia)

**Date : 22 May 2013**

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL  
PERIOD ENDED 31 MARCH 2013**

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**WCT BERHAD**

(Company Number : 66538-K)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED INCOME STATEMENT FOR THE FIRST QUARTER ENDED  
31 MARCH 2013**

( The figures have not been audited )

**CONSOLIDATED INCOME STATEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 31.03.2013) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.03.2012) RM'000	CURRENT YEAR TO DATE (3 months to 31.03.2013) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.03.2012) RM'000
Revenue	490,945	341,570	490,945	341,570
Cost of sales	(394,828)	(263,383)	(394,828)	(263,383)
<b>Gross profit</b>	<b>96,117</b>	<b>78,187</b>	<b>96,117</b>	<b>78,187</b>
Other income	7,643	6,936	7,643	6,936
Other expenses	(6,665)	(4,319)	(6,665)	(4,319)
Administrative expenses	(21,024)	(18,609)	(21,024)	(18,609)
Finance costs	(14,675)	(15,396)	(14,675)	(15,396)
Share of profit after tax of associates	3,832	4,052	3,832	4,052
Share of profit after tax of joint venture	127	755	127	755
	<b>65,355</b>	<b>51,606</b>	<b>65,355</b>	<b>51,606</b>
Income tax expense	(23,523)	(11,827)	(23,523)	(11,827)
<b>Profit for the period</b>	<b>41,832</b>	<b>39,779</b>	<b>41,832</b>	<b>39,779</b>
Attributable to:				
Equity holders of the Company	43,182	40,034	43,182	40,034
Non-controlling interest	(1,350)	(255)	(1,350)	(255)
<b>Profit for the period</b>	<b>41,832</b>	<b>39,779</b>	<b>41,832</b>	<b>39,779</b>
Attributable to equity holders of the Company :				
Basic earnings per share (sen)	<u>4.25</u>	<u>4.28</u> *	<u>4.25</u>	<u>4.28</u> *
Fully diluted earnings per share (sen)	<u>4.12</u>	<u>4.12</u> *	<u>4.12</u>	<u>4.12</u> *

(The consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

\* Computed based on the number of share capital which were adjusted for the proportionate change in the number as if the bonus shares and warrants were issued on 1 January 2012.

**WCT BERHAD**

(Company Number : 66538-K)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

( The figures have not been audited )

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months to 31.03.2013) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.03.2012) RM'000	CURRENT YEAR TO DATE (3 months to 31.03.2013) RM'000	PRECEDING YEAR CORRESPONDING (3 months to 31.03.2012) RM'000
Profit for the period	41,832	39,779	41,832	39,779
Other comprehensive income/(loss):				
Currency translation differences arising from consolidation	4,763	(27,006)	4,763	(27,006)
Other comprehensive income/(loss) for the period, net of tax	4,763	(27,006)	4,763	(27,006)
Total comprehensive income/(loss) for the period	46,595	12,773	46,595	12,773
Total comprehensive income/(loss) for the period attributable to :				
Equity holders of the Company	47,254	22,350	47,254	22,350
Non-controlling interest	(659)	(9,577)	(659)	(9,577)
	46,595	12,773	46,595	12,773

(The consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

**WCT BERHAD**

(Company Number : 66538-K)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013**

	AS AT CURRENT QUARTER 31.03.2013	AS AT FINANCIAL YEAR ENDED 31.12.2012
	UNAUDITED RM'000	AUDITED RM'000
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant and equipment	268,041	276,230
Land held for property development	665,051	388,471
Investment properties	590,821	1,311,523
Investment in associates	164,718	157,317
Investment in joint ventures	313,812	49,835
Other investments	9,721	9,721
Trade receivables	1 381,014	358,625
Other receivables	1 264,988	261,609
Due from related parties	24,231	23,731
Deferred tax assets	18,967	25,667
	<u>2,701,364</u>	<u>2,862,729</u>
<b><u>Current assets</u></b>		
Property development costs	280,647	313,710
Inventories	64,499	73,859
Trade receivables	691,778	706,355
Other receivables	215,257	270,779
Due from related parties	351,629	75,739
Tax recoverable	1,328	6,141
Cash and cash equivalents	667,674	1,077,715
	<u>2,272,812</u>	<u>2,524,298</u>
<b>TOTAL ASSETS</b>	<u>4,974,176</u>	<u>5,387,027</u>
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity attributable to equity</u></b>		
<b><u>holders of the Company</u></b>		
Share capital	525,988	475,820
Share premium	554,569	394,086
Reserves	961,805	940,551
	<u>2,042,362</u>	<u>1,810,457</u>
Non-controlling interest	56,299	56,958
<b>Total equity</b>	<u>2,098,661</u>	<u>1,867,415</u>

**WCT BERHAD**

(Company Number : 66538-K)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013 (Cont'd)**

		AS AT CURRENT QUARTER 31.03.2013	AS AT FINANCIAL YEAR ENDED 31.12.2012
		UNAUDITED RM'000	AUDITED RM'000
<b>EQUITY AND LIABILITIES (Cont'd)</b>			
<b><u>Long-term liabilities</u></b>			
Trade payables	2	68,298	66,618
Other payables	2	452,608	488,293
Borrowings		785,090	893,313
Deferred tax liabilities		42,261	41,527
		<u>1,348,257</u>	<u>1,489,751</u>
<b><u>Current liabilities</u></b>			
Trade payables		576,550	666,262
Other payables		301,253	417,100
Due to related parties		-	-
Borrowings		622,749	930,715
Tax payable		26,706	15,784
		<u>1,527,258</u>	<u>2,029,861</u>
<b>Total Liabilities</b>		<u>2,875,515</u>	<u>3,519,612</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>4,974,176</u>	<u>5,387,027</u>
Net asset per share (RM)		1.94	1.90

(1) Included receivables of RM258 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(2) Included payables of RM258 million in respect of the Nominated Sub-contractors of the Nad Al Sheba Racecourse project.

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2013

	Attributable to Equity Holders of the Company					Distributable			Non-controlling interest	Total equity				
	Share		Non-Distributable		Equity			Total						
	capital	Preference Shares	Share premium	Warrant reserve	Other reserve	Exchange reserve	Capital reserve	compensation reserve	Revaluation reserve	General reserve	Retained profit			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<i>Preceding year corresponding period</i>														
At 1 January 2012	402,604	1,176	414,206	87,782	476	(90,305)	2,846	16,655	20,653	1,438	618,917	1,476,448	282,586	1,759,034
Profit for the period	-	-	-	-	-	(17,684)	-	-	-	-	40,034	40,034	(255)	39,779
Other comprehensive income/(loss)	-	-	-	-	-	(17,684)	-	-	-	-	-	(17,684)	(9,322)	(27,006)
Total comprehensive income for the period	402,604	1,176	414,206	87,782	476	(107,989)	2,846	16,655	20,653	1,438	658,951	1,498,798	273,009	1,771,807
Share options vested under ESOS	-	-	-	-	-	-	-	2,920	-	-	-	2,920	-	2,920
Arising from share options exercised	6,017	-	17,812	-	-	-	-	-	-	-	-	23,829	-	23,829
Arising from conversion of ICPS	52	(52)	-	-	-	-	-	-	-	-	-	-	-	-
Arising from conversion of warrants	1	-	3	-	-	-	-	(7,752)	-	-	-	4	-	4
Transfer within reserve for ESOS exercised	-	-	7,752	-	-	-	-	-	-	-	-	-	-	-
Transfer within reserve for warrants exercised	-	-	1	(1)	-	-	-	-	-	-	-	-	-	-
At 31 March 2012	408,674	1,124	439,774	87,781	476	(107,989)	2,846	11,823	20,653	1,438	658,951	1,525,551	273,009	1,798,560
<i>Current year to date</i>														
At 1 January 2013	475,820	-	394,086	86,747	449	(110,020)	2,846	2,673	27,756	1,438	928,662	1,810,457	56,958	1,867,415
Profit for the period	-	-	-	-	-	4,072	-	-	-	-	43,182	43,182	(1,350)	41,832
Other comprehensive income/(loss)	-	-	-	-	-	(105,948)	-	-	-	-	-	(105,948)	691	4,763
Total comprehensive income/(loss) for the period	475,820	-	394,086	86,747	449	(105,948)	2,846	2,673	27,756	1,438	971,844	1,857,711	56,299	1,914,010
Arising from share options exercised	2,445	-	5,526	-	-	-	-	-	-	-	-	7,971	-	7,971
Arising from conversion of warrants	47,723	-	128,957	-	-	-	-	-	-	-	-	176,680	-	176,680
Transfer within reserve for ESOS exercised	-	-	2,311	-	-	-	-	(2,311)	-	-	-	-	-	-
Transfer within reserve for warrants exercised	-	-	23,689	(23,689)	(14)	-	-	-	-	-	-	-	-	-
Transfer within reserve	-	-	-	-	(14)	-	-	-	-	-	14	-	-	-
At 31 March 2013	525,988	-	554,569	63,058	435	(105,948)	2,846	362	27,756	1,438	971,858	2,042,362	56,299	2,098,661

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

**WCT BERHAD**  
(Company Number : 66538-K)

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

	UNAUDITED CUMULATIVE PERIOD CURRENT YEAR TO DATE 31.03.2013 RM'000	RESTATED CUMULATIVE PERIOD PRECEDING YEAR CORRESPONDING 31.03.2012 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	65,355	51,606
Adjustments for:-		
Non-cash items	4,758	19,716
Non-operating items - financing	10,226	10,673
Non-operating items - investing	(4,086)	(4,847)
Operating profit before working capital changes	76,253	77,148
Net changes in current assets	(400,614)	115,874
Net changes in current liabilities	(220,487)	(101,879)
Cash flows (used in)/generated from operations	(544,848)	91,143
Interest paid	(5,890)	(15,477)
Interest received	4,449	4,723
Taxation paid	(7,050)	(8,891)
Net cash (used in)/generated from operating activities	(553,339)	71,498
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments in jointly controlled entities	(25,241)	-
Proceed from disposal of subsidiary	85,275	-
Property, plant and equipment	(1,531)	343
Withdrawal from redemption and FSRA accounts	-	(53)
Net cash generated from investing activities	58,503	290
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceed from share options exercised	7,971	23,829
Proceed from conversion of warrants	176,680	4
Bank borrowings	(98,925)	(77,712)
Net cash generated from/(used in) financing activities	85,726	(53,879)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	(409,110)	17,909
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	1,069,484	774,679
Foreign exchange differences	404	(35,850)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD *	660,778	756,738

\* Cash & cash equivalents excludes fixed deposits with licensed bank amounting to RM770,000 and fixed deposits held under Finance Service Reserve Account amounting to RM1,990,000.

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

**WCT BERHAD (“WCT” OR “THE COMPANY”) (66538-K)  
QUARTERLY UNAUDITED RESULTS OF THE GROUP FOR THE FIRST QUARTER ENDED  
31 MARCH 2013**

**A EXPLANATORY NOTES IN COMPLIANCE WITH FINANCIAL REPORTING  
STANDARDS ("FRS") 134, INTERIM FINANCIAL REPORTING**

**A1 Basis of Preparation**

The interim financial statements have been prepared under the historical cost convention except for revaluation of freehold land and buildings included in property, plant and equipment and investment properties which are stated at fair values.

The interim financial statements are unaudited and have been prepared in compliance with FRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2012. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2012.

**A2 Changes in Accounting Policies**

The significant accounting policies adopted by the Group are consistent with those of the audited financial statements for the year ended 31 December 2012, except for the adoption of the following new Financial Reporting Standards (“FRSs”), Amendments to FRSs and Interpretations with effect from 1 January 2013.

On 1 January 2013, the Group adopted the following FRSs where applicable:-

**FRSs, Amendments to FRSs and Interpretations**

FRS 13	Fair Value Measurement
FRS 119	Employee Benefits (Revised)
FRS 127	Separate Financial Statements (Revised)
FRS 128	Investment in Associates and Joint Ventures ( Revised)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards – Government Loans
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards – [Improvements to FRSs(2012)]
Amendments to FRS 7	Financial Instruments : Disclosure – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10	Consolidated Financial Statements : Transition Guidance



## A2 Changes in Accounting Policies (Cont'd)

### FRSs, Amendments to FRSs and Interpretations (Cont'd)

Amendments to FRS 12	Disclosures of Interests in Other Entities : Transition Guidance
Amendments to FRS 101	Presentation of Financial Statements [Improvements to FRS (2012)]
Amendments to FRS 116	Property, Plant and Equipment [Improvements to FRS (2012)]
Amendments to FRS 132	Financial Instruments : Presentation [Improvements to FRS (2012)]
Amendments to FRS 134	Interim Financial Reporting [Improvements to FRS (2012)]

The adoption of the above standards and interpretations did not have any financial impact to the Group.

### Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework). The MFRS Framework comprises Standards as issued by the International Accounting Standards Board (IASB) that are effective on 1 January 2012. It also comprises new/revised Standards that will be effective after 1 January 2012. All other Standards under the FRS framework where no new/revised Standards that will be effective after 1 January 2012 will transition to MFRS framework with no further amendments.

The MFRS Framework is to be applied by all entities other than private entities for financial year beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estates, including its parent, significant investor and venture (herein called 'Transitioning Entities'). IC Interpretation 15 which was supposed to be effective for periods beginning on or after 1 January 2012 was withdrawn.

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the scope definition of Transitioning Entities and have opt to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS framework in its first MFRS financial statements for the year ending 31 December 2014. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2014.

**A3 Audit Qualification**

There was no audit qualification in the auditors' report of the Company's previous financial statements for the financial year ended 31 December 2012.

**A4 Seasonal Or Cyclical Factors**

For the period under review, the business operations of the Group were not significantly affected by any seasonal or cyclical factor.

**A5 Items Of Unusual Nature**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 31 March 2013.

**A6 Changes In Estimate**

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the quarter ended 31 March 2013.

**A7 Changes In Debt and Equity Securities**

Save as disclosed below, there were no issuance and repayment of debts and equity securities, share buy backs, share cancellations, shares held as treasury shares and resale of treasury shares during the period under review.

- (a) Issuance of 4,890,150 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS at the exercise price of RM1.63 per ordinary share.
- (b) Issuance of 95,178,286 new ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2008/2013 at an exercise price of RM1.85 per ordinary share for cash.
- (c) Issuance of 1,000 new ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2011/2016 at an exercise price of RM2.04 per ordinary share for cash.
- (d) Issuance of 265,825 new ordinary shares of RM0.50 each pursuant to the conversion of Warrants 2012/2017 at an exercise price of RM2.25 per ordinary share for cash.

**A8 Dividends**

Please refer to Explanatory Note B11.

**A9 Segmental Information**

	Civil engineering and construction RM'000	Property development RM'000	Property investment RM'000	Unallocated RM'000	Eliminations RM'000	Consolidated RM'000
<b>3 months period ended 31 March 2013</b>						
<b>Revenue</b>						
External	347,606	123,998	19,341	-	-	490,945
Inter segment	23,522	-	-	-	(23,522)	-
	<u>371,128</u>	<u>123,998</u>	<u>19,341</u>	<u>-</u>	<u>(23,522)</u>	<u>490,945</u>
<b>Segment results</b>						
Profit from operations	42,824	28,044	5,203	-	-	76,071
Finance costs	-	-	-	-	-	(14,675)
Share of profits of associates	-	-	-	3,832	-	3,832
Share of profits of joint ventures	-	-	127	-	-	127
Taxation	-	-	-	-	-	(23,523)
Profit for the period						<u>41,832</u>
Profit attributable to :-						
Equity holders of the Company						43,182
Non-controlling interest						(1,350)
						<u>41,832</u>
<b>3 months period ended 31 March 2012</b>						
<b>Revenue</b>						
External	273,041	55,343	13,186	-	-	341,570
Inter segment	3,534	-	-	-	(3,534)	-
	<u>276,575</u>	<u>55,343</u>	<u>13,186</u>	<u>-</u>	<u>(3,534)</u>	<u>341,570</u>
<b>Segment results</b>						
Profit from operations	47,272	8,535	6,388	-	-	62,195
Finance costs	-	-	-	-	-	(15,396)
Share of profits of associates	-	-	-	4,052	-	4,052
Share of profits of joint ventures	-	-	755	-	-	755
Taxation	-	-	-	-	-	(11,827)
Profit for the period						<u>39,779</u>
Profit attributable to :-						
Equity holders of the Company						40,034
Non-controlling interest						(255)
						<u>39,779</u>

**A10 Carrying Amount Of Revalued Assets**

The valuations of investment properties and property, plant and equipment have been brought forward without amendment from the audited financial statements for the financial year ended 31 December 2012.

**A11 Subsequent Material Events**

There were no material events subsequent to the reporting period up to 16 May 2013 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) which have not been reflected in the financial statements for the quarter under review.

**A12 Effect Of Changes In The Composition Of The Group**

- (i) On 14 March 2012, Iris Green Sdn. Bhd., a wholly-owned subsidiary of WCT Land Sdn Bhd ("WCTL"), which in turn is a wholly-owned subsidiary of the Company, has entered into a conditional share sale agreement with Eng Lian Enterprise Sdn. Bhd., Shen & Sons Sdn. Bhd. and AMC Sdn. Bhd. (collectively referred to as "Vendors") for the acquisition of 1,850,000 ordinary shares of RM1.00 each in Timor Barat Properties Sdn. Bhd. ("Timor Barat"), representing 100% of the issued and paid-up share capital of Timor Barat, from the Vendors for a total cash consideration of RM450,000,000 ("Proposed Acquisition").

The Proposed Acquisition was completed on 6 February 2013 and Timor Barat has become a wholly-owned subsidiary of WCTL.

On 22 April 2013, Iris Green Sdn Bhd and Timor Barat changed their names to WCT Premier Development Sdn Bhd and WCT OUG Development Sdn Bhd respectively.

- (ii) On 29 January 2013, WCTL, a wholly-owned subsidiary of the Company disposed 48,000,000 ordinary shares of RM1.00 each in Jelas Puri Sdn. Bhd. ("JPSB"), representing 30% of the enlarged issued and paid-up share capital of JPSB to Employees Provident Fund Board for a total cash consideration of RM87.36 million. With the completion of the disposal, JPSB has become a jointly controlled entity of WCTL.

**A12 Effect Of Changes In The Composition Of The Group (Cont'd)**

Details of the disposal were as follows:

	At date of disposal RM'000
Property, plant and equipment	1,074
Investment properties	213,615
Land held for property development	50,610
Deferred taxation	4,282
Property development cost	10,967
Trade and other receivables	1,703
Cash and cash equivalents	2,085
Amount due to related parties	(89,867)
Trade and other payables	(5,953)
Term loan	(96,000)
Net assets	92,516
Net disposals proceeds	(87,360)
Loss on disposal to the Group	<u>5,156</u>

The net cash flows on disposal was determined as follows:

Total proceeds from disposal – cash consideration	87,360
Cash and cash equivalents of subsidiary disposed of	<u>(2,085)</u>
Cash inflow to the Group on disposal	<u>85,275</u>

- (iii) On 30 January 2013, WCT Oman Roads LLC (“WCT Oman Roads”), a 60% owned subsidiary was incorporated in the Sultanate of Oman. The remaining 40% equity interest in WCT Oman Roads is held by Oman Roads Engineering Company L.L.C. (Licence No. 1059117), a limited liability company incorporated in the Sultanate of Oman.

The principal activity of WCT Oman Roads will be in the road construction sector (including roads, bridges and tunnels) in the Sultanate of Oman.

The issued and paid-up share capital of WCT Oman Roads is Omani Riyal (OR) 150,000/= divided into 150,000 ordinary shares of OR1.00 each. The Company has subscribed and paid for its portion of the initial capital of OR90,000 (approximately RM719,998).

Save as disclosed above, there were no changes in the composition of the Group during the period under review.

### A13 Contingent Liabilities

Contingent liabilities of the Group as at 16 May 2013 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) comprised bank guarantees and letters of credit totaling RM769.0 million and RM22.9 million respectively provided by the Group to various parties in the ordinary course of business and tax matters under appeal amounting to RM3.4 million. The changes in contingent liabilities since 19 February 2013 are as follows:-

(a)	Bank Guarantees RM'000	Letter of credit RM'000
Balance as at 19 February 2013	858,526	18,622
Extended/utilised during the period	34,671	5,709
Discharged/paid during the period	(124,166)	(1,397)
	769,031	22,934
Balance as at 16 May 2013	769,031	22,934

(b) The tax matters under appeal of the Group totaling RM3.4 million are in respect of corporation tax and service tax of a foreign subsidiary.

### A14 Capital Commitments

There are no material commitments except for as follows:-

	RM'000
Approved and contracted for :	
Property, plant and equipment	508
Land	187,870
Investment	71,548
	259,926

### A15 Significant Related Party Transactions

	RM'000
<u>The Group</u>	
Rental of property paid to a Director of the Company	131
Sales of properties to Directors and persons connected with the Directors	16,786
	16,917

**B EXPLANATORY NOTES IN COMPLIANCE WITH LISTING REQUIREMENTS OF THE BURSA MALAYSIA**

**B1 Review of performance**

For the current quarter, the Group recorded revenue and profit after taxation and non-controlling interest of RM491 million and RM43 million respectively as compared to RM342 million and RM40 million respectively in the preceding year corresponding quarter.

Civil engineering and construction segment recorded revenue and operational profit of RM348 million (2012:RM273 million) and RM43 million (2012:RM47 million) respectively. The decrease in operating profit is mainly due to the accrual of prolongation, legal and other costs amounting RM26.285 million awarded by the Tribunal in favour of Bahrain Asphalt Establishment B.S.C. ("BAE") in relation to BAE disputed claim for additional payments in relation to their Sub-Contract Works for part of the project Works known as "Dukhan Highway" which involved the construction of a 43km highway in Qatar.

Property development and investment segments registered revenue and operational profit of RM143 million (2012:RM69 million) and RM33 million (2012:RM15 million) respectively. The increase in revenue and operational profit is due to higher sales recorded from property launches.

Basic earning per share for current quarter is 4.25 sen as compared to 4.28 sen recorded in the preceding year corresponding period.

**B2 Comparison With Immediate Preceding Quarter's Results**

For the current quarter under review, the Group recorded revenue and profit after taxation and non-controlling interest of RM491 million and RM43 million as compared to RM380 million and RM245 million reported in the immediate preceding quarter. The high profit after taxation and non-controlling interest in the immediate preceding quarter is mainly due to fair value gain of investment properties.

**B3 Profit for the period**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months period To 31.03.2013) RM'000	PRECEDING YEAR CORRESPONDING (3 months period To 31.03.2012) RM'000	CURRENT YEAR TO DATE (3 months period To 31.03.2013) RM'000	PRECEDING YEAR CORRESPONDING (3 months period To 31.03.2012) RM'000
Profit for the period is arrived at after crediting/(charging):				
Interest income	4,449	4,723	4,449	4,723
Interest expense	(14,675)	(15,396)	(14,675)	(15,396)
Depreciation and amortisation	(1,370)	(1,288)	(1,370)	(1,288)
Bad debts written off	(22)	-	(22)	-
Gain on disposal of property, plant and equipment	127	34	127	34
Gain on disposal of stock properties	89	6	89	6
Gain/(loss) on foreign exchange	6,565	(6,170)	6,565	(6,170)

**B4 Prospect For Financial Year 2013**

With the implementation of Economic Transformation Programme by the Malaysian government, the Group is confident to achieve satisfactory results for the financial year ending 31 December 2013.

**B5 Variance Of Actual Profit From Forecast Profit**

Not applicable to the Group.



**B6 Taxation**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER (3 months period To 31.03.2013)	PRECEDING YEAR CORRESPONDING (3 months period To 31.03.2012)	CURRENT YEAR TO DATE (3 months period To 31.03.2013)	PRECEDING YEAR CORRESPONDING (3 months period To 31.03.2012)
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:-				
Malaysia Tax				
- Current year	19,337	5,585	19,337	5,585
- Deferred taxation	4,186	6,242	4,186	6,242
	<u>23,523</u>	<u>11,827</u>	<u>23,523</u>	<u>11,827</u>

The Group's effective tax rate (excluding the results of associates and joint ventures which are equity accounted net of tax) for the current quarter ended 31 March 2013 is higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes.

The Group's effective tax rate (excluding the results of associates and joint ventures which are equity accounted net of tax) for the corresponding quarter ended 31 March 2012 is approximates to the statutory tax rate.

**B7 Status of Corporate Proposals Announced**

On 5 October 2012, the Board announced a proposed internal reorganisation for the Company and its subsidiaries through the following:-

- (a) Proposed exchange of the securities ("Proposed Securities Exchange") of the WCT with securities in a new investment holding company, WCT Holdings Sdn Bhd (which will be converted into a public limited company) ("WCTH") via a members' scheme of arrangement under Section 176 of the Act which will entail the following:-
  - i. Proposed exchange of the entire issued and paid-up ordinary share capital of RM0.50 each in WCT ("WCT Share") for ordinary shares of RM0.50 each (after the proposed share split) in WCTH ("WCTH Share(s)") on the basis of one (1) new WCTH Share for every one (1) WCT Share held;
  - ii. Proposed exchange of the outstanding Warrants B in WCT for new Warrants B in WCTH ("WCTH Warrant(s) B") on the basis of one (1) WCTH Warrant B for every one (1) existing Warrant B held;

**B7 Status of Corporate Proposals Announced (Cont'd.)**

- iii. Proposed exchange of the outstanding Warrants C in WCT for new Warrants C in WCTH ("WCTH Warrant(s) C") on the basis of one (1) WCTH Warrant C for every one (1) existing Warrant C held; and
- iv. Proposed exchange of the proposed Warrants D in WCT with new Warrants D in WCTH ("WCTH Warrant(s) D") on the basis of one (1) WCTH Warrant D for every one (1) proposed Warrant D held;
- (b) Proposed assumption of the listing status of WCT by WCTH and the admission of WCTH to the official list of Bursa Securities ("Proposed Transfer Listing");
- (c) Proposed transfer of WCT's entire shareholding in WCT Land Sdn Bhd, its direct wholly-owned subsidiary, to WCTH;
- (d) Proposed termination of WCT's existing ESOS 2012/2022; and
- (e) Proposed establishment of a new employees' share option scheme for the eligible directors and employees of WCTH and its subsidiaries.

The Securities Commission ("SC") had vide its letter dated 19 December 2012 approved the Proposed Securities Exchange and the Proposed Transfer Listing subject to the Joint Advisers/the Company complying with the relevant requirements pertaining to the implementation of the Proposals as stipulated under the SC's Equity Guidelines

At the Extraordinary General Meeting and Court Convened Meeting held on 26 April 2013, approval had been obtained from both shareholders and warrant holders for the implementation of the scheme of arrangement under Section 176(1) of the Act in relation to the Proposed Shares Exchange and Proposed Transfer Listing.

Save as disclosed above, the Group did not announce any corporate proposal which has not been completed as at 16 May 2013 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

**B8 Realised and Unrealised Profits**

The breakdown of retained profits of the Group both realized and unrealized as at the reporting date pursuant to the directive issued by Bursa Malaysia Securities on 25 March 2010 are as follow:

	As at 31.03.2013 RM'000	As at 31.12.2012 RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realised	1,048,628	947,281
- Unrealised	37,302	239,353
	<u>1,085,930</u>	<u>1,186,634</u>
Total share of retained profits/(losses) from associates:-		
- Realised	89,450	85,610
- Unrealised	(350)	(342)
	<u>89,100</u>	<u>85,268</u>
Total share of retained profits/(losses) from jointly controlled entities:-		
- Realised	(104,768)	(64,585)
- Unrealised	136,733	(1,564)
	<u>31,965</u>	<u>(66,149)</u>
Less : Consolidation adjustment	<u>(235,137)</u>	<u>(277,091)</u>
Total Group retained profits as per consolidated accounts	<u>971,858</u>	<u>928,662</u>

## B9 Group Borrowings And Debt Securities

Details of group borrowings are as follows:-

	As at 31.03.2013 RM'000	As at 31.12.2012 RM'000
<b>Long Term Bank Borrowings</b>		
<u>Secured:-</u>		
Long Term Loan	302,985	311,985
Hire Purchase Creditors	2,282	3,220
	305,267	315,205
<u>Unsecured:-</u>		
ICP/IMTN	200,000	300,000
BONDS	279,823	278,108
	479,823	578,108
	785,090	893,313
<b>Short Term Bank Borrowings</b>		
<u>Secured :-</u>		
Hire Purchase Creditors	4,026	4,172
Revolving Credit	70,000	70,000
Term Loans	42,756	348,190
	116,782	422,362
<u>Unsecured :-</u>		
BONDS	295,045	293,399
Bank Overdraft	4,136	5,471
Banker Acceptance	6,786	10,195
ICP/IMTN	200,000	100,000
SUKUK	-	99,288
	505,967	508,353
	622,749	930,715
	1,407,839	1,824,028

Key : ICP/IMTN - Islamic Commercial Papers / Islamic Medium Term Notes  
 SUKUK - Islamic Serial Redeemable Bonds  
 BONDS - Serial Fixed Rate Bonds

## **B10 Material Litigation**

Except as disclosed below, there are no material litigation pending since 31 December 2012 (being the date of the last annual statement of financial position) to 16 May 2013 (being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) in which the Group is engaged either as plaintiff or defendant, and the Board of the Company has no knowledge of any proceedings pending or threatened against the Company or of any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group during the said period.

- (i) Status update on the arbitration proceedings in relation to the Cancellation of the Nad Al Sheba Racecourse, Dubai, U.A.E. contract (“the Cancellation”):

The Arbitration Tribunal to resolve the dispute between the Company (jointly with Arabtec Construction LLC, (“Joint Venture”) as Claimants) and Meydan Group LLC (formerly known as Meydan LLC, as Respondent) (“Employer”) in relation to the Cancellation had been duly constituted with the appointment of the Tribunal Chairman and the respective Co-Arbitrators by the Dubai International Arbitration Centre (“DIAC”) and procedural meetings have been held and pre-trial procedural steps taken pursuant thereto. The arbitration proceedings are presently still on-going. In the course of the procedural pre-evidentiary hearing steps, the Joint Venture’s dispute and claims had been revised from time to time and at present, totals approximately AED2.8 billion. The Employer has taken the position that the DIAC Case No. 02/2009 have expired by effluxion of time. After deliberation, the arbitration Tribunal in DIAC Case No. 02/2009 had on 9 June 2012 rejected conclusively the Employer’s submission that the arbitration proceedings have expired by effluxion of time. Notwithstanding the arbitration Tribunal’s decision above, the Employer had on 14 June 2012 brought its counterclaims in relation to what was DIAC Case No. 02/2009 before the Dubai Courts under Commercial Action No. 1066/2012 (“Civil Suit”), claiming against the JV, a sum of AED3.5 billion. On 26 February 2013, the Dubai Court dismissed the Civil Suit on the grounds that the DIAC Case No. 02/2009 had not expired by effluxion of time and in view of the valid and binding arbitration agreement between the parties. The Employer had on 24 March 2013 filed a notice of appeal against the dismissal of the Civil Suit.

On 27 February 2013, WCT was informed by Arabtec that its board of directors has agreed to the Employer’s proposal (“Proposal”) for Arabtec and the Employer to withdraw all pending legal cases as between themselves without prejudice to their respective rights and proceed with negotiations for an amicable settlement. Pursuant thereto, Arabtec and the Employer has since withdrawn their respective claims and counterclaims as against themselves, from the DIAC Case 2/2009.

The Company is, based on continuing legal opinion received, of the view that notwithstanding Arabtec’s withdrawal, WCT’s chances of success in the arbitration proceedings remain good.

**B11 Dividends**

	PAID in Year Ending 31 Dec 2013	PAID in Year Ended 31 Dec 2012
	RM'000	RM'000
<u>Final dividend paid</u>		
For the financial year ended 31 December 2011		
3.0 sen per ordinary share of RM0.50 each less tax 25% & 1.5 sen tax exempt dividend per ordinary share of RM0.50 each (3.75 sen per ordinary share)	-	30,777
<u>Dividend paid</u>		
For the period from 7 August 2011 to 6 August 2012		
13.5% per ICPS of RM0.10 each	-	142
<u>Interim dividend paid</u>		
For the financial year ended 31 December 2012		
Single tier dividend of 3.75 sen per ordinary share of RM0.50	-	30,858
<u>Interim dividend paid</u>		
For the financial year ending 31 December 2013		
Single tier dividend of 3.25 sen per ordinary share of RM0.50	34,667	
Total net dividend paid	<u>34,667</u>	<u>61,777</u>

**B12 Earnings Per Share**

	<b>Reporting Quarter/ Current Year To Date 31.03.2013</b>
<b>(a) Basic Earnings Per Share</b>	
Profit attributable to the equity holders of the parent (RM'000)	43,182
Weighted average number of ordinary shares in issue ('000)	1,015,741
Basic earnings per share (sen)	4.25
<b>(b) Fully Diluted Earnings Per Share</b>	
Profit attributable to the equity holders of the parent (RM'000)	43,182
Weighted average number of ordinary shares in issue ('000)	1,015,741
Effects of dilution:	
Share options ('000)	1,109
Warrants ('000)	30,557
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,047,407
Fully diluted earnings per share (sen)	4.12

**B13 Comparative Figures**

Comparative figures, where applicable, have been modified to conform to the current quarter presentation.

**Date: 22<sup>nd</sup> May 2013**